

CHAPTER 5

FUNDING OF AREA EDUCATION AGENCIES

AEAs have no taxing authority. Instead, the law provides for a legislatively-controlled amount of property tax and state aid to “flow through” local school district budgets to the AEA. Revenue comes directly to the AEA from the Department of Management, but the amount appears in the budget of each district.

School districts shall pay for the programs and services provided through the AEA and shall include expenditures for the programs and services in their budgets in accordance with section 273.9 (273.9(1)). The department of management shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to chapter 257 and shall pay the amounts to the respective AEAs on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under chapter 257 in an amount sufficient to cover its amount due to the AEA as calculated by the department of management, the school district shall pay the deficiency to the AEA from other moneys received by the district, on a quarterly basis during each school year (257.35).

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9. Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the AEA board as provided in subsection 273.3(5), but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled. Each district shall cooperate with its AEA to provide an appropriate special education instructional program for each child who requires special education instruction, as identified and counted within the certification by the area director of special education or as identified by the area director of special education subsequent to the certification, and shall not provide a special education instructional program to a child who has not been so identified and counted within the certification or identified subsequent to the certification 273.9(2)).

The costs of special education support services provided through the AEA shall be funded as provided in chapter 257 (273.9(3)).

AEA boards are authorized to receive and expend money for providing programs and services as provided in sections 273.1-273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1-273.9 and chapters 256B and 257 (273.3(2)).

The AEA board is authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities (273.3(9)).

Restriction on Use of Funds

Funds generated for educational services shall not be expended by an AEA for the purpose of assisting either a public employer or employee organization in collective bargaining negotiations under chapter 20 if the public employer is a school district, or the employee organization consists of employees of a school district, located within the boundaries of the AEA (273.12).

Reversion of Special Education Support Services Balances

The Department of Education may direct the Department of Management to deduct amounts from the portions of school district budgets that fund special education support services in an AEA. The total amount deducted in an area shall be based upon excess special education support services unreserved and undesignated fund balances in that AEA for a school year as determined by the Department of Education (257.36).

Reduction of Media and Educational Services Funds

If an AEA does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruct the Department of management to reduce the funds for media services and educational services one time by an amount to compensate for such reduced services (257.37(5)).

Required to Utilize Federally Funded Health Care Programs

The state board of education in conjunction with the Department of Education shall develop a program to utilize federally funded health care programs, except the federal medically needy program for individuals who have a spend-down, to share in the costs of services which are provided to children requiring special education (256B.15(1)).

The Department of Education shall designate an AEA to develop a system for collecting the information necessary to implement procedures for billing and collecting the costs of the services. The AEA shall begin to develop the system immediately. The AEA shall consult with and work jointly with state agencies and federal agencies to determine procedures and standards which shall be initiated by all AEAs to qualify for receipt of benefits under federal program (256B.15(2)). The Department of Education shall prepare procedures as necessary to be used by AEA boards, officials, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting (256.9(18)).

The Department of Education, in conjunction with the AEA, shall determine those specific services which are covered by federally funded health care programs, which shall include, but not be limited to, physical therapy, audiology, speech language therapy, and psychological evaluations. The department shall also determine which other special services may be subject to reimbursement and the qualifications necessary for personnel providing those services. If it is determined that services are required from other service providers, these providers shall be reimbursed for those services (256B.15(3)).

All services referred to in subsection 1 shall be initially funded by the AEA and shall be provided regardless of subsequent subrogation collections. The AEA shall make a claim for reimbursement to federally funded health care programs (256B.15(4)).

Not later than July 1, 1988, the AEA designated by the Department of Education shall have developed the program for collecting for the services provided. The program shall be distributed to all of the AEAs in the state. All AEAs shall begin collecting the information on July 1, 1988 (256B.15(5)).

Effective November 1, 1988, all AEAs in the state shall participate in the program and begin billing for and collecting for the covered services and shall bill for services provided retroactive to July 1, 1988. Retroactive Title XIX billing is contingent upon state plan approval. Nothing contained in section 256B.15 shall be construed to allow nonlicensed individuals to perform services which otherwise require licenses under the laws of this state or to allow licensed providers to perform services outside their scope of practice (256B.15(6)).

The treasurer of the state shall credit receipts received under section 256B.15 to the Department of Human Services to pay contractual fees incurred by the department to maximize federal funding for special education services. All remaining receipts in excess of the amount necessary to pay contractual fees shall be credited to the Department of Human Services medical assistance account (256B.15(7)(a)). The AEAs shall, after determining the administrative costs associated with the implementation of medical assistance reimbursement for the eligible services, be permitted to retain up to twenty-five percent of the federal portion of the total amount reimbursed to pay for the administrative costs. [The reimbursement consisted of both a federal portion and a state match portion. The retention of twenty-five percent does not apply to the state match portion.] This limitation does not apply to medical assistance reimbursement for services provided by an AEA under part C of the federal Individuals with Disabilities Education Act (IDEA). Funds received under this section shall not be considered or included as part of the AEAs' budgets when calculating funds that are to be received by AEAs during a fiscal year (256B.15(7)(b)).

Students or their parents or guardians covered by a federal health care program shall provide health care information to an AEA or local school district (256B.15(8)).

The Department of Human Services shall offer assistance to the AEAs in the identification of children eligible for reimbursement for services under this section (256B.15(10)).

Early ACCESS

Early ACCESS is a partnership between families with young children, birth to age three, and providers from the Departments of Public Health and Human Services, the Child Health Specialty Clinics, and Iowa's AEAs. The purpose

of this program is for families and staff to work together in identifying, coordinating and providing needed services and resources that will help the family assist their infant or toddler to grow and to develop.